



Faculty of Design

2014

Caring for the future: The systemic design of flourishing enterprises

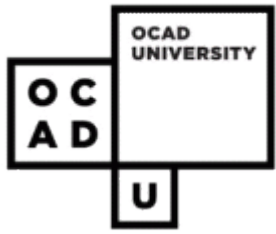
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Caring for the Future: The Systemic Design of Flourishing Enterprises

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Redesign Network*

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reDESIGN

The Resilience of *Sustainability*

The term has lost impact & meaning.

For 3 decades we've anchored on *sustainability*.

- Since Bruntland Commission (1987)
- Sustainable *Development*
- Ecological *Modernization*

Consider these enablers of the status quo.

See *Ehrenfeld (2000)*

Can we sustain “Sustainability?”

Another feature that makes the Brundtland concept of sustainability development problematic is that there is no way to ascertain whether or not the momentary state of the world is sustainable, i.e., whether the desired conditions will be present in the future. Sustainability is essentially not assessable other than to observe that the present world is, indeed, a flourishing place. Unsustainability, on the other hand, can be observed in the present and is a characteristic of our modern mode of living. Our knowledge of the rules that govern the transformation of the present to the future is doomed to be insufficient to allow us to determine whether the present conditions can or will persist into the future. Thus sustainability cannot be reduced to some deterministic set of characteristics and rules.

A Foundation for Speaking of Flourishing

Strong vs Weak Sustainability

- Non-substitutability of natural capital w/ others
- Emerged from Ayres (1998) & others criticizing the lack of progress from sustainable dev
- Few examples of strong sustainability in 90's, & as applied to business, considered improbable.
- Aim for compatibility with *The Natural Step (FSSD)* & anchor in bio-physical sciences
- Living systems theories of (Allen et al) *supply-side*
- Socio-ecological systems & ecological macroeconomics

SSBMC

The Flourishing Enterprise

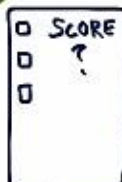
MORE than a Model

deeply rooted in a place

GIVES BACK



Value Constellation



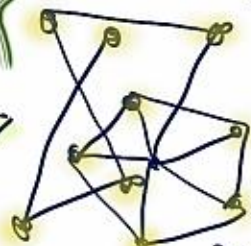
ACCOUNTABILITY

RESOURCE



core business

Rethinking



'STAKEHOLDERS' HAPPY

Advocate? Consultant? Promoters? a new word

Community? system?

What was that called again?

STRONG SUPER some CANVAS LIKE OSTERWAD

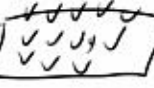
NCR 1913



SOCIAL VALUE WITHIN A CONSTITUTION

A LEADERSHIP ROLE

GARDEN?



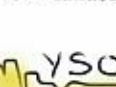
SOCIAL SYSTEMS



CANNOT BE MEASURED LIKE OTHER

SYSTEMS ORGANIZATION

Beyond Sustainable



GROW BERLIN? Patagonia

What Flourishes? an ORCHARD



I DEAL



Regenerative Agriculture Coffee Production Networks



How can you Keep a Straight Face if No Thriving Enterprise Exists



Hospital?

TOUGH TO FIND EXAMPLES of Flourishing Enterprises ON A LARGE SCALE

Desirable to the Consumer



Location

A NEW EXCHANGE BASED ON SUSTAINABILITY



INVESTING IN YOUR VALUE

RESOURCE



Suppliers

STEALING FROM the FUTURE



TRAVEL



Balance

IN the future CORPORATIONS WILL BE SEEN AS CRIMINALS

WHAT DO WE WANT?

Complex and OPEN

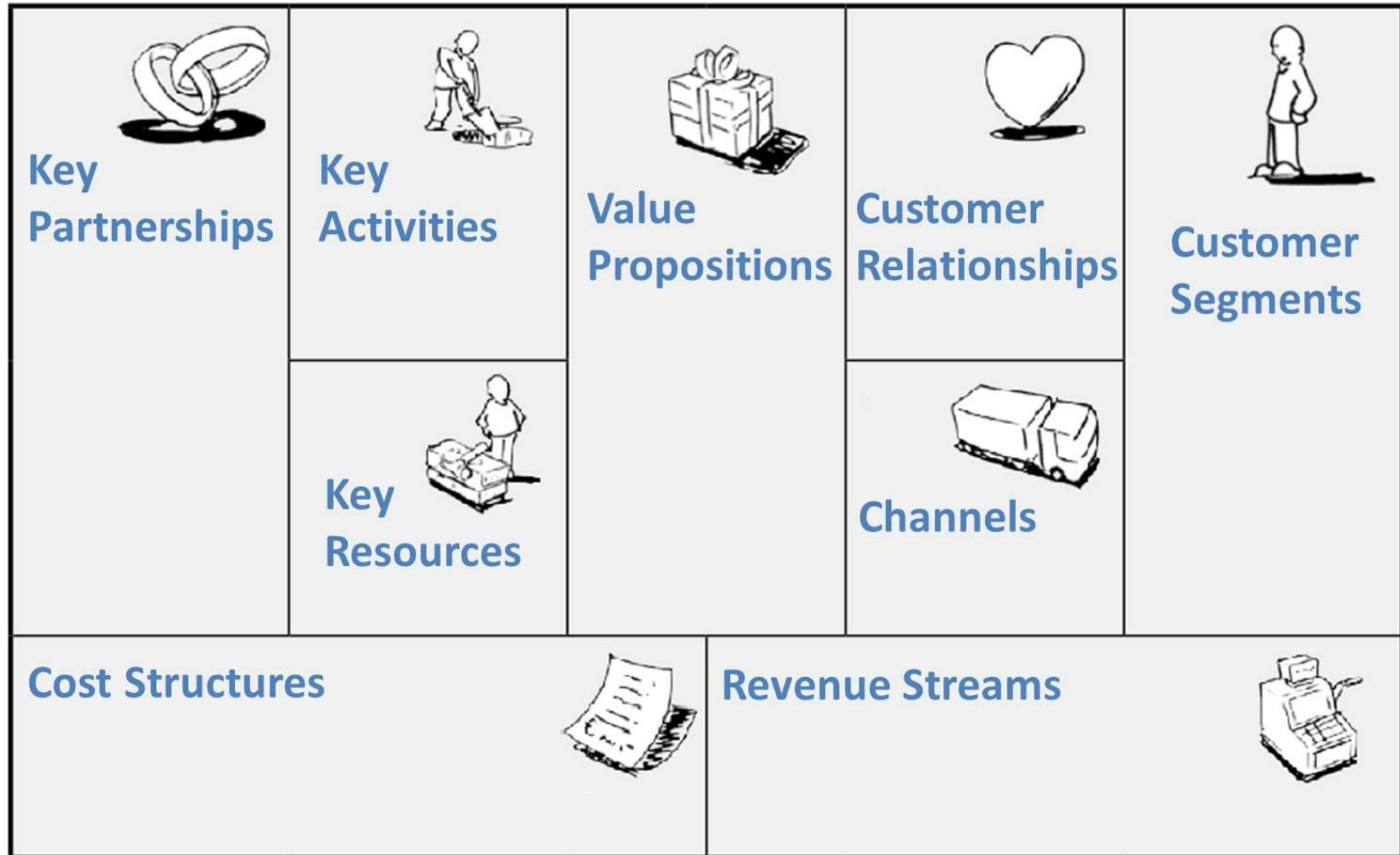
“More sustainable” business models

- Product/Service Systems (Vezzoli, et al)
- Dematerialized product/services
- Circular economy / Supply-waste ecosystems
- Collaborative consumption
- Public-private incentive models
- Regional mutualism / Start-up safety nets

Best cases include -

- Interface (circular carpet model)
- Patagonia, Timberland,
- Unilever

Business Model Canvas



Osterwalder & Pigneur. (2009). *Business model generation*.

No environmental impact model

No value chain / supply impacts

No societal impacts, No triple-bottom line option

Upward's research led to ...

1

Understand the Natural and Social Science of Sustainability

Defined the gaps in Osterwalder's Ontology of profit-first businesses, based on the science

2

Designed an Ontology of *Strongly Sustainable Business Models*

3

Co-designed **Strongly Sustainable Business Model Canvas**, a visual design tool, structured by the Ontology, and tested:

1. **Against standards of sustainable business**
2. **Formally with 7 experts and 2 case study companies**
3. **Informally with dozens of others:**
Business people, professors, students

Revising Definitions...

Necessary, but not sufficient

“A Business Model describes the rationale of how an organization creates, delivers and captures value [in monetary terms]”

Value = the perception by an actor of a need being met; measured in aesthetic, psychological, physiological, utilitarian and / or monetary terms.

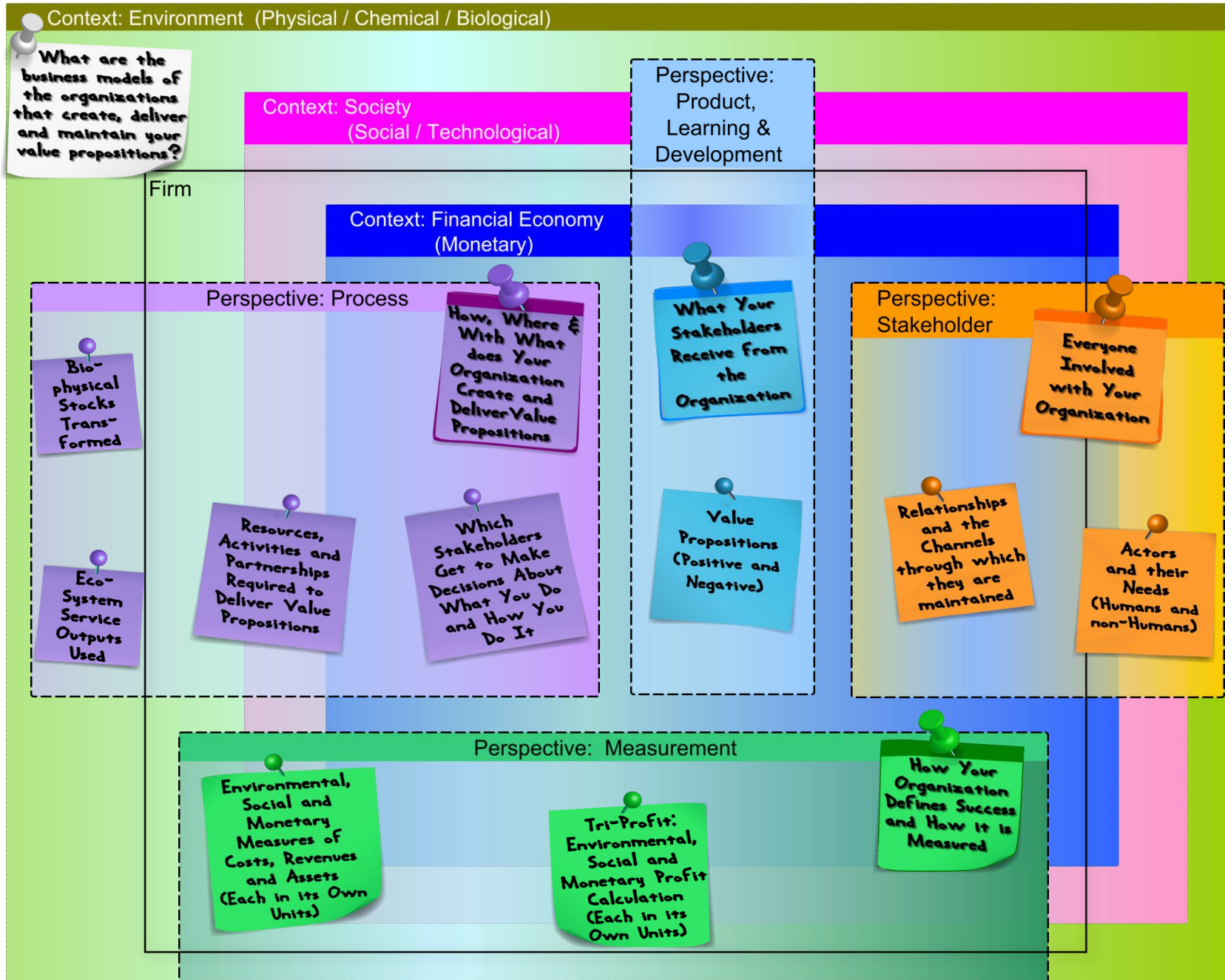
Value is created when needs are met via satisfiers that align with the recipient's world-view, and destroyed when they don't

A Business Model = the logic for an organization's existence:

- Who it does it for, to and with
- What it does now and the future
- How, where and with what does it do it
- How it defines and measures its success

A description of how an organization defines and achieves success over time.

Strongly Sustainable Business Model Canvas – 14 Questions



Environment

Society

Economy

PROCESS

VALUE

PEOPLE

ECOSYSTEM ACTORS

BIOPHYSICAL STOCKS

RESOURCES

PARTNERSHIPS

VALUE CO-CREATIONS

RELATIONSHIPS

STAKEHOLDERS



NEEDS

ECOSYSTEM SERVICES

ACTIVITIES

GOVERNANCE

VALUE CO-DESTRUCTIONS

CHANNELS



COSTS



GOALS

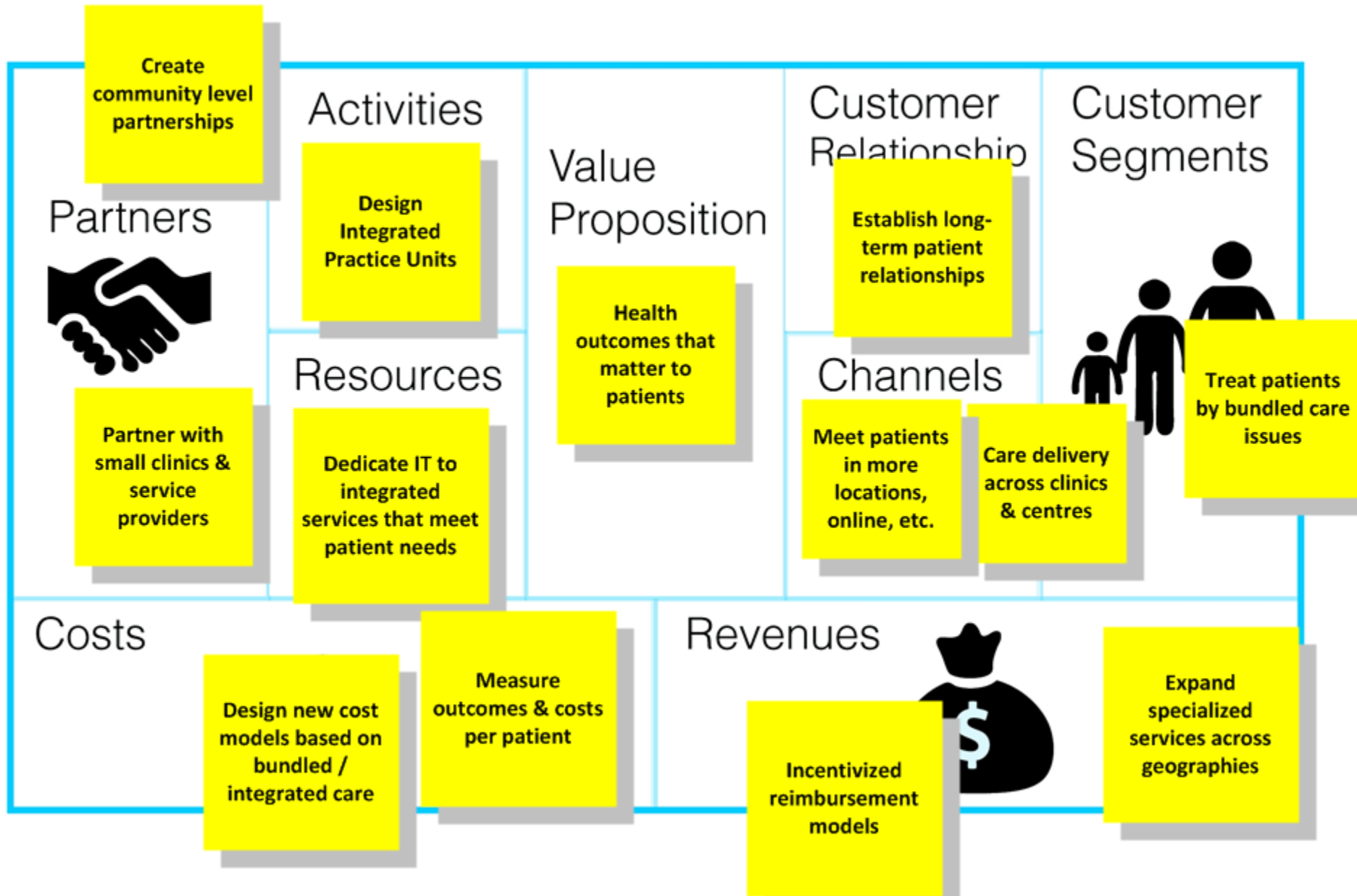


BENEFITS



OUTCOMES

A Shared Value Business Model using Osterwalder



Environment

Society

Economy

PROCESS

VALUE

PEOPLE

ECOSYSTEM ACTORS

BIOPHYSICAL STOCKS

Bio-stocks used directly

Waste products

ECOSYSTEM SERVICES

Support services – water, cooling, air refresh

Cultural service, Natural settings

Regulatory services: air, waste, water

RESOURCES

Patient-Centred ITC

ACTIVITIES

Integrated Practice Units

PARTNERSHIPS

Community care partners

Partner w/ small clinics

Collab Inter-professional Decisions

Patient-centred business strategy

VALUE CO-CREATION

Health outcomes that matter to Patients / families

Patient-led care circles

Active care continuity

VALUE CO-DESTROY

Volunteers for non-critical needs

Decentralize hospital into special units

RELATIONSHIPS

Long-term patient relationships

Meet pts in more locations, online, community

Delivery across clinics & centres

Expand service across geographies

STAKEHOLDERS

Patient-relevant agencies

Gov agencies

Local Communities

Faith & social communities



Local ecologies, watersheds

NEEDS

Social health determinants

Housing Food supply ...

GOALS

New cost models based on bundled / integrated care

Costing across patient lifecycle

Measure outcomes & costs / patient

Community health outcomes

Increased Dr & Patient preference

Incentivized reimbursement models

Shared asset across regions

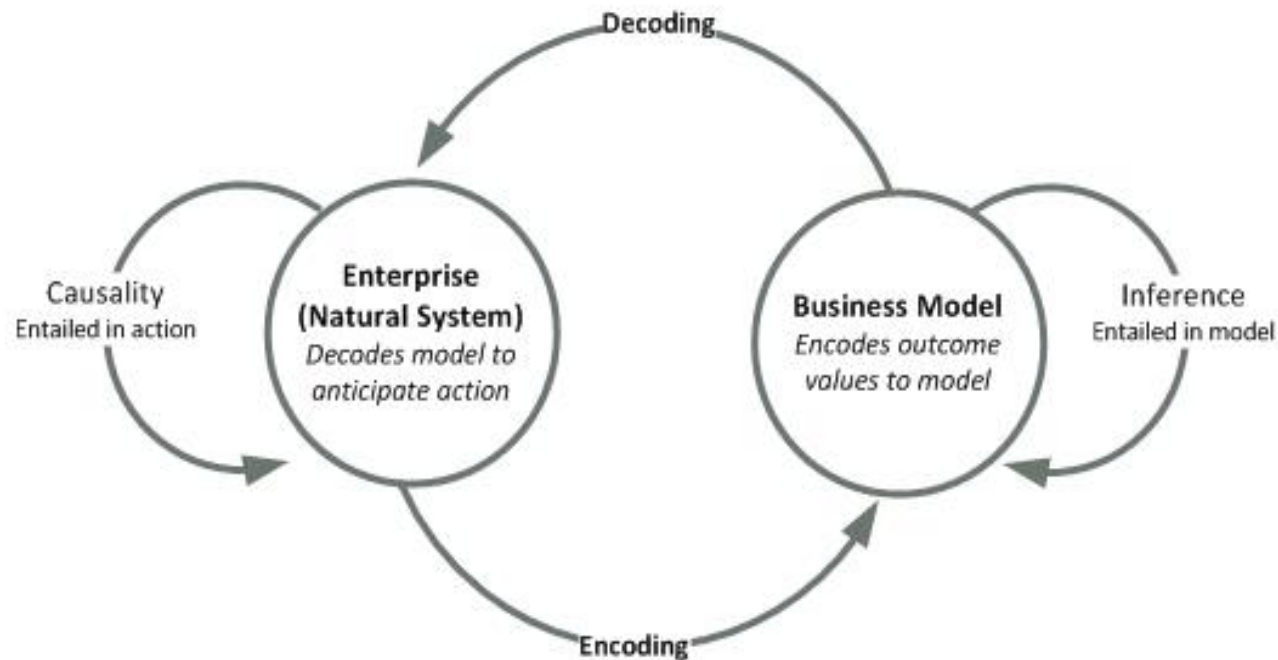
Real resource costing

OUTCOMES

Return on Social capital

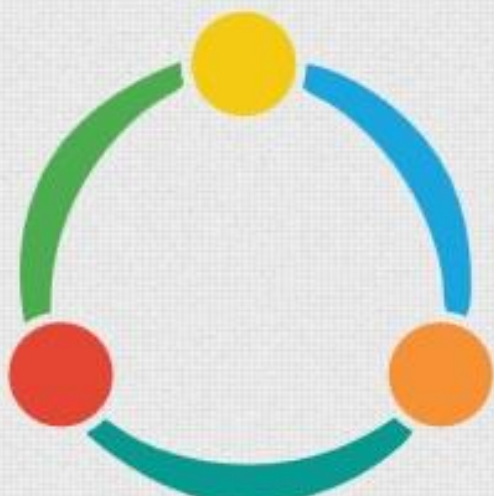
Business Model as Formative Context

- BM explicitly represents value system & mental model
- New BM design offers scope for reclaiming values
- As anticipatory system, feed-forward loop



Business Model Designs the Enterprise

- Novel models are not *simulatable*
 - Causal entailments (rel to environment) too complex
 - Anticipated outcomes guided by updating model with feedback information (encoding)
 - & updating new decisions with updated decoding.
-
- New view of a flourishing “enterprise”
Living system model of firm & entire value network in bio-socio-eco-cultural contexts, within planetary limits



THE THIRD GLOBAL FORUM FOR BUSINESS AS AN AGENT OF WORLD BENEFIT

FLOURISH & PROSPER

Dare to Flourish: A Practical Guide for You & Your Organization



John Ehrenfeld
Executive Director of the International Society for
Industrial Ecology



B Corporations: Using business as a force for good



Bart Houlahan
Co-Founder, B Corporation



Stephen Davies
Managing Director, Transformation by Design
Business Consultants Inc.

@XformByDesign / Bio

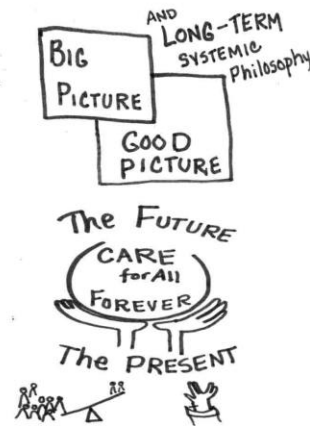


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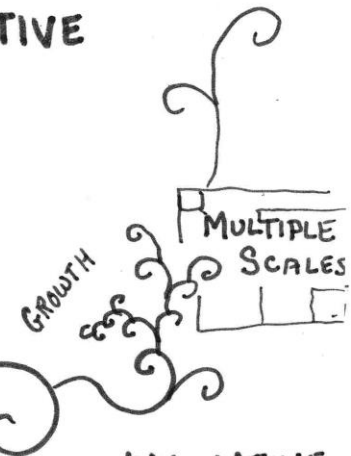
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Takk. Questions & Discussion?



EVOLUTIONARY ADAPTIVE BUSINESS MODEL

TRANSFORMATIVE
CONNECTIVE
UNFOLDING



ADAPTIVE
LIFE CYCLE

TEMPORAL CYCLICAL



RETURNS
TO
ECOSYSTEM



DIVIDEND
NEW

INNOVATIVE
SPINOFFS

SOCIALLY ADAPTIVE
PROFITABILITY

REQUIRES
PALIATIVE CARE
FOR DYING BUSINESS
MODELS

BENEFITS ALL
GRACEFULLY
RELEASE
FAILURE

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